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SURFACE TRANSPORTATION BOARD



50 North Fifth Street
P.O. Box 942
Reading, PA 19603-0942
Tel 610.376.6651 Fax 610.376.5243
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Timothy G. Dietrich, Esquire
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June 14, 2012

JUN 15 2012

Anne K. Quinlan, Secretary
Surface Transportation Board
395 East Street, S.W.
Washington, D.C. 20024

Via Federal Express

Re: Recordation of Security Agreement and Equipment List and Collateral Assignment of Lease of Railroad Equipment

Dear Secretary:

I have enclosed an original and one copy/counterpart of each of the two documents described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

The first document is a Security Agreement and Equipment List which is attached to the Security Agreement as Exhibit A, a primary document, dated June 13, 2012.

The names and addresses of the parties to the document:

Secured Party Lender: Fulton Bank, N.A.
2747 Century Boulevard
Wyomissing, PA 19610

Principal Debtor: Carol S. Muller
16 Snowdrift Road
Kutztown, PA 19530

The second document is a Collateral Assignment of Lease of Railroad Equipment, a secondary document, dated June 13, 2012.

The names and addresses of the parties to the document:

Lessor: Carol S. Muller
16 Snowdrift Road
Kutztown, PA 19530

Lessee: Reading Blue Mountain & Northern Railroad
Company
P.O. Box 218
Port Clinton, PA 19549

Bank: Fulton Bank, N.A.
2747 Century Boulevard
Wyomissing, PA 19610

A description of the equipment covered by these documents is as follows:

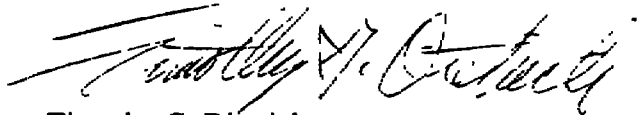
The property covered by the aforementioned Security Agreement and Equipment List attached as Exhibit A and the Collateral Assignment of Lease of Railroad Equipment are the 715 railcars marked as RBMN (unless otherwise noted) and numbered as set forth on the Equipment List, intended for use related to interstate commerce, or interest therein, owned by Carol S. Muller as of the date of said Security Agreement and Equipment List and Collateral Assignment of Lease of Railroad Equipment, together with any subsequent additions, substitutions or subtractions to the Equipment List of railcars, wherever located.

A fee of \$82.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to the undersigned in the self-addressed stamped envelope enclosed.

Please also complete the W-9 form enclosed and return it in the enclosed envelope.

Please contact me with any questions.

Sincerely,



Timothy G. Dietrich

TGD/lad:3595424_1 DOC
Enclosures

cc: Fulton Bank, N.A.
Ronald J. Scalese, Senior Vice President

JUN 18 '12 10:42 AM

COLLATERAL ASSIGNMENT OF LEASE OF RAILROAD EQUIPMENT

SURFACE TRANSPORTATION BOARD

THIS COLLATERAL ASSIGNMENT OF LEASE OF RAILROAD EQUIPMENT (the "Lease") made this 13th day of June, 2012, by and among CAROL S. MULLER, having a mailing address at 16 Snowdrift Road, Kutztown, Pennsylvania 19530 (hereinafter referred to as the "Lessor"), **READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY**, a Pennsylvania corporation, which has a mailing address at P. O. Box 218, Port Clinton, Pennsylvania 19549 (the "Lessee") and **FULTON BANK, N.A.** (the "Bank").

W I T N E S S E T H :

WHEREAS, it is understood that the Bank, which is providing certain financial accommodations, including a line of credit and term loan (collectively the "Loan") to Lessor, pursuant to the terms of a certain loan agreement dated the date hereof between the Bank and the Lessor (the "Loan Agreement"), is and will continue to be interested in the performance of the Lease by the Lessee in accordance with all of the terms and provisions thereof; and

WHEREAS, it is also understood that the Bank has extended certain financial accommodations to the Lessee pursuant to a loan agreement and other documents dated this date, as to which the Lessor has undertaken the obligations of surety pursuant to a suretyship agreement dated this date ("Suretyship"); and

WHEREAS, the Loan Agreement requires the Lessor, as security for the repayment of the Loan and as security for the Suretyship, to grant to the Bank a security interest in the "Collateral" as defined in the Security Agreement dated the date hereof granted by the Lessor ("Security Agreement"), which Collateral includes, but is not limited to, an Assignment of this Lease and the subject railroad equipment.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. The Bank, through its authorized representatives, shall at all reasonable times and upon prior notice have access to the Collateral for purpose of making inspections provided there will be no duty to assemble.
2. The Lessor will perform or observe each and every material covenant, obligation and condition of the Lease to be performed or observed by the Lessor.
3. The Lessor will give prompt written notice to the Bank of any notice of default either by the Lessor or the Lessee under the Lease, together with a complete copy of any such notice of default.
4. At the Lessor's sole cost and expense, the Bank may, following reasonable prior written notice to the Lessor, but is not obligated to, enforce the performance or observance of each and every material covenant, obligation and condition of the Lease to be performed or observed by the Lessee.

5. The Lessor will not assign any of its rights under the Lease without the prior written consent of the Bank.

6. Except as otherwise permitted by the Loan Agreement or Security Agreement, the Lessor will neither waive nor release the Lessee from any of the Lessee's material covenants, obligations or conditions under the Lease without the prior written consent of the Bank, and the Lessor will do no other acts prohibited by the terms of the Loan Agreement or Security Agreement.

7. The Lessor will not terminate the Lease without the prior written consent of the Bank.

8. In the event of any Event of Default (as defined in the Loan Agreement or Security Agreement) by the Lessor occurring and continuing under the Loan Agreement or any of the related loan documents, as confirmed to the Lessee by written notice from the Bank, the parties hereto agree that the Bank may elect to succeed to and exercise all of the Lessor's rights and privileges and to assume all of the Lessor's obligations under the Lease and that the Lessee shall be absolutely protected against the Lessor in proceeding in reliance on said notice from the Bank. In furtherance of the foregoing provision, the Lessor hereby grants the Bank a security interest in, and assigns, transfers, and sets over to the Bank, all of the Lessor's right, title and interest in the Lease; provided, however, that the Lessor shall at all times remain bound to perform all obligations imposed on the Lessor under the Lease, except to the extent assumed by the Bank.

Unless and until the Bank shall elect to assume the future obligations of the Lessor under the Lease, the Bank will not be obligated to perform or discharge any obligation under the Lease or under or by reason of this agreement and assignment, and the Lessor hereby agrees to indemnify the Bank against and defend and hold the Bank harmless from any and all liability, loss or damage which the Bank may or might incur under the Lease or under or by reason of this agreement and assignment (except for the gross negligence or willful misconduct of the Bank or its agents) and of and from any and all claims and demands whatsoever that may be asserted against the Bank by reason of any alleged obligation or undertaking on the part of the Bank to perform or discharge any of the covenants, obligations and conditions of the Lease. If the Bank should incur any such liability, loss or damage under the Lease or under or by reason of this agreement and assignment, or in defense against any such claims or demands, the Lessor will reimburse the Bank for the amount thereof, including all reasonable costs, expenses and reasonable attorneys' fees, together with interest thereon at the default rate set forth in the Loan Agreement immediately upon demand.

9. The Lessee hereby:

(a) approves the foregoing assignment by the Lessor to the Bank and covenants that it has no knowledge of any prior assignment of the Lease by the Lessor;

(b) agrees to give the Bank written notice of any defaults by the Lessor under the Lease and to give the Bank, at the sole option of the Bank, the right to cure any defaults by the Lessor under the Lease within thirty (30) days after receipt by the Bank of notice of such default;

(c) covenants that the Lease has not been modified and is in full force and effect and that the Lessee will not assign its rights and obligations under the Lease without the prior written consent of the Bank;

(d) agrees that the Bank shall have no liability to the Lessee either under the Lease, this agreement and assignment, or otherwise for any act or omission occurring prior to such time as the Bank elects to assume the future obligations of the Lessor under the Lease (except for the gross negligence or willful misconduct of the Bank or its agents);

10. The Lessor and the Lessee hereby each represent and warrant to the Bank that:

(a) neither party has executed or made any prior assignment of any of its rights under the Lease; and

(b) the Lease has not been modified and is in full force and effect.

11. Violation by the Lessor of any of the material covenants, representations, warranties or obligations contained herein shall, after written notice of a thirty (30) day cure period, at the option of the Bank, be deemed a default under the Loan Agreement or the Security Agreement.

12. This agreement and assignment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors, trustees and assigns.

13. Whenever the Bank's consent or approval is required hereunder, such consent or approval shall not be unreasonably withheld or delayed, unless otherwise expressly provided herein.

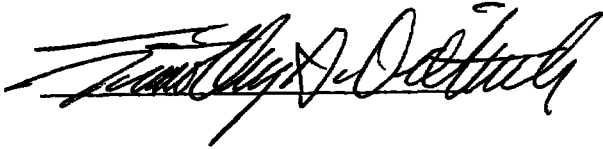
14. All notices (except for notice by the Bank that it intends to conduct an inspection of the premises), consents, requests, and demands to or upon the respective parties hereto shall be in writing, and shall be deemed to have been given or made when delivered in person to those persons listed on the signature pages hereof or received via certified United States mail, or, in the case of telegraphic notice or the overnight courier services, when delivered by the telegraphic company or overnight courier service, to Lessor or Lessee, in each case addressed to the addresses of those persons as set forth on the face page hereof, or such other address as any party may designate by notice to the other parties in accordance with the terms of this Section 14.

15. This Assignment may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

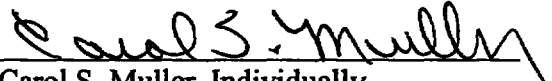
(TWO SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this agreement and assignment to be executed, under seal, as of the day and year first above written.


Witness:



CAROL S. MULLER
(the "Lessor")

By: 
Carol S. Muller, Individually

FULTON BANK, N.A.
(the "Bank")

By: 
Name: RONALD I. SCHESSE
Title: SVP

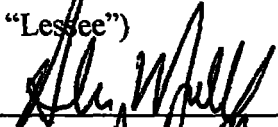
**SIGNATURE PAGE TO COLLATERAL ASSIGNMENT OF LEASE OF
RAILROAD EQUIPMENT BY AND BETWEEN CAROL S. MULLER,
READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY
AND FULTON BANK, N.A. DATED JUNE 13, 2012.**

IN WITNESS WHEREOF, the parties hereto have caused this agreement and assignment to be executed, under seal, as of the day and year first above written.

Witness:



**READING BLUE MOUNTAIN &
NORTHERN RAILROAD COMPANY**
(the "Lessee")

By: 
Name: Carol S. Muller
Title: CEO

**SIGNATURE PAGE TO COLLATERAL ASSIGNMENT OF LEASE OF
RAILROAD EQUIPMENT BY AND BETWEEN CAROL S. MULLER,
READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY
AND FULTON BANK, N.A. DATED JUNE 13, 2012.**


COMMONWEALTH OF PENNSYLVANIA

SS.

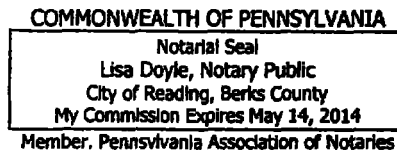
COUNTY OF BERKS

On this, the 13th day of June, 2012, before me, a Notary Public in and for the Commonwealth and County aforesaid, the undersigned officer, personally appeared Timothy G. Dietrich, Esquire, Attorney I.D. #37853, known to me (or satisfactorily proven) to be a member of the bar of the highest Court of said Commonwealth and a subscribing witness to the within instrument, and certified that he was personally present when Carol S. Muller, whose name is subscribed to the within instrument, executed the same, and that said persons acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public




COMMONWEALTH OF PENNSYLVANIA

SS.

COUNTY OF BERKS

On this, the 13th day of June, 2012, before me, a Notary Public in and for the Commonwealth and County aforesaid, the undersigned officer, personally appeared Timothy G. Dietrich, Esquire, Attorney I.D. #37853, known to me (or satisfactorily proven) to be a member of the bar of the highest Court of said Commonwealth and a subscribing witness to the within instrument, and certified that he was personally present when Andrew M. Muller, Jr. a/k/a Andy Muller, Jr., whose name is subscribed to the within instrument, executed the same, and that said persons acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public

